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SOAH DOCKET NO. 473-21-0538
PUC DOCKET NO. 51415

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APPLICATION OF SOUTHWESTERN
ELECTRIC POWER COMPANY FOR
AUTHORITY TO CHANGE RATES

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BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS


**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO EAST TEXAS
SALT WATER DISPOSAL COMPANY'S FOURTH REQUEST FOR INFORMATION**

MARCH 29, 2021

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Question No. ETSWD 4-1:

Referring to SWEPCO's response to ETSWD 2-2, please confirm or deny that there were customer or load pro-forma adjustments related to the loss of the three industrial customers excluded from the calculation of Texas Retail production and transmission demand allocation factors. Please provide all of the schedules and workpapers supporting the response.

Response No. ETSWD 4-1:

Confirm. The adjusted numbers were provided as attachments to the ETSWD 2-2 attachments.

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Sponsored By: Chad M. Burnett

Title: Dir Economic Forecasting

Sponsored By: John O. Aaron

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Question No. ETSWD 4-2:

Referring to SWEPCO's response to TIEC 1-23 (b), please answer the following questions:

- a. Please explain in detail how SWEPCO determined the SPP OATT revenues received by SWEPCO associated with transmission investment that Texas retail customers are paying for through rates approved by the PUCT. How would these revenues be included in the SWEPCO's SPP OATT cost deferral proposal?
- b. Please provide all of the schedules and workpapers supporting the response.

Response No. ETSWD 4-2:

- a. SWEPCO tracks in its accounting records the SPP OATT revenues received associated with SWEPCO's transmission investment that Texas retail customers are paying for through rates. The SPP OATT revenues received by SWEPCO will reduce the SPP OATT costs to be deferred.
- b. There are no schedules or workpapers supporting this response as the response describes the theory behind the netting of SPP OATT revenues received by SWEPCO with the SPP OATT costs incurred by SWEPCO.

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Question No. ETSWD 4-3:

Referring to Exhibit JOA-5 included in Mr. John Arron's testimony, please explain in detail how each of the following cost items was determined:

- a. SPP Charges and Fees of \$157,881,876;
- b. Non-SPP Charges of \$6,005,430;
- c. Other Transmission Charges of \$917,530.
- d. Please indicate how often each of these charges or fees is revised.
- e. Please provide all of the schedules and workpapers supporting the response.

Response No. ETSWD 4-3:

- a-c. The referenced amounts are the test-year general ledger amounts with pro-forma adjustments. Please see the filed workpaper "WP_EXHIBIT JOA-5 (TCRF Calculation), tabs "ATC Summary" and "Trans Exp Acct Pivot" for the supporting information.
- d. Transmission owners in SPP update their revenue requirements annually. For the Non-SPP charges, those are updated periodically.
- e. See the response to a-c.

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Question No. ETSWD 4-4:

Referring to the ATC Summary included in WP_Exhibit JOA-5 included in Mr. John Arron's testimony, please explain in detail how each of the following cost items was determined:

- a. Schedule 1A of \$11,575,558;
- b. Schedule 9 of \$76,670,530;
- c. Schedule 11 of \$66,136,239;
- d. Schedule 12 of \$2,263,152;
- e. Other SPP of \$6,000;
- f. Non-SPP Charges of \$6,005,430;
- g. NERC Fee of \$914,530.
- h. Please indicate how often each of these charges or fees is revised.
- i. Please provide all of the schedules and workpapers supporting the response.

Response No. ETSWD 4-4:

a-i. Please see SWEPCO's response to ETSWD 4-3.

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Question No. ETSWD 4-5:

Referring to Ms. Jennifer Jackson's testimony on revenue distribution among Texas Retail rate classes, please explain in detail why SWEPCO proposed a different rate class group for Oil Field Primary and Oilfield Secondary in this Docket as opposed to the single Oilfield Primary and Secondary rate class proposed and approved in Docket No. 46499 (SWEPCO's last rate case). The following is a comparison of the grouping including Oil Field rate classes in this docket and in Docket No. 46449:

Docket No. 51415 SWEPCO Proposed Rate Class Group including Oil Field rate classes	Docket No. 46449 PUCT Approved Rate Class Group including Oil Field rate classes
Large Lighting & Power Primary	Lighting & Power Secondary
Large Lighting & Power Transmission	Lighting & Power Primary
Lighting & Power Transmission	
Metal Melting-Transmission	
Metal Melting-Primary	Metal Melting-Primary
Metal Melting-Secondary	Metal Melting-Secondary
Oilfield Primary	Oilfield Primary & Secondary
Oilfield Secondary	Cotton Gin

Response No. ETSWD 4-5:

In Docket No. 46449, the OLI class was not differentiated by voltage level. In Docket No. 46449, SWEPCO proposed separating the OLI rate schedule into secondary and primary voltage level rates. Attached is an excerpt from the testimony of SWEPCO witness Shawanna Jones from Docket No. 46449:

"In addition, SWEPCO proposes to include a secondary rate in the OLI tariff schedule due to customer migration from both LP primary voltage and LP secondary voltage during the period since SWEPCO's last base rate case. SWEPCO-owned primary and secondary investment is

reflected in the proposed OLI secondary rate as compared to only primary investment in the primary rate".

Once the proposal was approved, the OLI was differentiated into two classes, by voltage level. Since Docket No. 46449, OLI secondary and primary customer data is available and included in the class cost-of-service study, revenue distribution and rate design. The OLI classes are treated as one when applying the rate change percentage based on the proposed revenue distribution.

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Question No. ETSWD 4-6:

Referring to page 16 of Schedule P-3, please explain why the Large Lighting and Power Primary rate class was not assigned any cost included in the following FERC accounts:

- a. FERC Account 364-Poles, Towers, & Fixtures-Primary;
- b. FERC Account 365-Overhead Conductors & Devices-Primary;
- c. FERC Account 366-Underground Conduit-Primary;
- d. FERC Account 367- Underground Conductors & Devices –Primary.
- e. Please provide all of the schedules and workpapers supporting the response.

Response No. ETSWD 4-6:

The Large Lighting and Power Primary rate class takes service at distribution substations. An allocation of distribution poles and conductors would not be appropriate since the customer does not use those facilities.

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Question No. ETSWD 4-7:

In developing the allocators for allocating the costs in the following FERC accounts among Texas retail rate classes, please explain why the Maximum Diversified Demand (MDD) for the Lighting and Power Primary rate class was adjusted to exclude a total of 10,434 MW: a.

- a. FERC Account 364-Poles, Towers, & Fixtures-Primary;
- b. FERC Account 365-Overhead Conductors & Devices-Primary;
- c. FERC Account 366-Underground Conduit-Primary;
- d. FERC Account 367- Underground Conductors & Devices –Primary.
- e. Please provide all of the schedules and workpapers supporting the response.

Response No. ETSWD 4-7:

- a – d. The downward adjustment to MDD reflects the customers that take service at the distribution substation and do not use the underlying distribution poles and conductors.
- e. Please see ETSWD 4-7 Attachment 1 for the MDD adjustment.

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Prepared By: Matthew J. Simon

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Sponsored By: John O. Aaron

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Sponsored By: Bryan J. Coffey

Title: Load Research Analyst Sr

Tariffs	Year	Month	MDD
251, 252, 277	2019	4	7,135.33
251, 252, 277	2019	5	8,399.06
251, 252, 277	2019	6	8,303.47
251, 252, 277	2019	7	8,674.41
251, 252, 277	2019	8	9,660.76
251, 252, 277	2019	9	9,230.32
251, 252, 277	2019	10	9,170.48
251, 252, 277	2019	11	10,311.56
251, 252, 277	2019	12	10,124.90
251, 252, 277	2020	1	9,674.69
251, 252, 277	2020	2	10,210.30
251, 252, 277	2020	3	10,434.26

10,434.26